



VALU-NET, LLC

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To whom it may concern:

This letter serves notice that Valu-Net, LLC has an interest in participating in the FCC's Next Generation Network Experiments in Rural America.

Valu-Net, LLC is a next generation voice, data, and video provider operating in the City of Emporia, Lyon County, Kansas. Valu-Net, LLC provides services via Fiber to the Home or Business (FTTH) utilizing GPON and EPON. Our entire network operates on an I.P. infrastructure with a 100% fiber customer and backbone network. We utilize the Calix platform to light our fiber and Juniper Networks equipment in our core. We provide a full complement of "cable TV" services, utilizing an I.P. format, with Middleware from Innovative Solutions. Much of our video is fed to us via fiber versus traditional satellite "head ends". We have full interconnection to the incumbent carrier (AT&T), as well as to other carriers. We are capable of providing all standard services and features for voice such as; caller ID, name and number, call forwarding, expanding ring, voice mail, voice mail to e-mail and 911. We are certified by the Kansas Corporation Commission as both a CLEC and a Video Television provider in the State of Kansas and are registered with the FCC.

Our services include but are not limited to:

POTs Telephone Service	PRI Voice Service	SIP Trunk Voice Service	Internet Service at Synchronous Speeds (10 Mbps to 1 Gbps)
DS-1 and DS-3 Services	Point to Point Ethernet Data Services (5 Mbps to 100 Mbps)	Video Service in the form of "cable like" service including HDTV whole home DVR & other features	

Valu-Net, LLC was formed in 2011 however; our management has a long history in Telecommunications. The management team of Valu-Net, LLC initially founded the first competitive long-distance company in the State of Kansas in 1982. We grew that company into a state-wide organization and in 1997 became the first Reseller of Southwestern Bell local telephone service in the state. In 1998, we sold the company to a firm based in Kansas City, Missouri known as Birch Telecom.

Emporia is the County Seat for Lyon County, Kansas. We are located about 100 miles Southwest of Kansas City and about 80 miles northeast of Wichita Kansas. The population of the entire county is about 33,500 with approximately 27,000,000 in Emporia and an additional 6,000 students that attend Emporia State University. Through the years, we have always called Emporia, Kansas home. In 2009, we realized that our town was rapidly falling behind in our ability to access the "Information Highway". We investigated the situation and found that AT&T was providing Asymmetrical DSL

at speeds of 1.5 Mbps. or less to approximately one third of the geography of the City of Emporia. We found that the local cable TV company was providing Internet service that claimed to be 50 Mbps. down and 1 Mbps. up; however, customers and testing showed speeds were rarely 50mbps. The speeds provided averaged less than 2 Mbps down and less than 500Kbps up.

Upon contacting both AT&T and the local cable company, it was determined that neither company had any intention of to provide more advanced services to our community, or to extend the reach of their current services to additional locations within the city limits of Emporia. Further research into the matter revealed that AT&T was the only provider of facility business voice services to the business community.

During our investigation, we found that another Kansas company was considering the construction of a transport fiber network that would pass by Emporia, Kansas. This firm was interested in working with us and we were able to create a relationship with them that would provide us with multiple Gigabytes of connectivity to the Internet, as well as connectivity to a large carrier interconnection point in Kansas City, Missouri.

Once connectivity was obtained, we proceeded to complete our business plan and raised over five million dollars (virtually all of it locally) and obtained debt financing for an additional five million dollars.

We began turning up business customers in September of 2012, we have over 360 business customers up and running to date. We launched residential services in late 2013, and have over 400 residential customers within the city limits of Emporia, Kansas. We have completed construction for almost 50% of the city and construction continues. Emporia is a small town (under 30,000), but we have found a way to provide valuable services to the community and make a reasonable profit by using entirely private funding.

Local Governments, along with private citizens, have been very supportive of our presence within Emporia. However, there have been numerous requests for us to expand our construction plans to the small, rural communities in our area. In Lyon County, there are several of these small communities located within 10 to 20 miles of Emporia. The towns of Reading (in Census Tract 20111000600), Neosho Rapids, Hartford (Census Tract 20111000800), and Americus, Kansas (Census Tract 20111000700), all fall within the 20 mile radius of Emporia. Currently, three of these communities fall within the incumbent territory served by AT&T with the fourth being served by Fairpoint Communications. We believe that all of these areas could greatly benefit from true broadband; voice, data, and video services. Unfortunately, the business plan we have for within the City of Emporia does not work for these rural areas due to geography and density. In private business, we must create plans that will allow for reasonable risk but with reasonable rewards. The capital required to expand our network to another very small town (under 1,000 population) or even a small concentrated development of homes simply cannot be justified in a fully private, for-profit model. We do believe that if capital for the actual construction of the fiber can be obtained, we can leverage our existing Central Office, Head End, and other existing resources in a manner so that the actual cost of operations can be supported by the revenues from subscribers of the expanded network, with no need for ongoing monthly or annual support fees from federal, state, or local government. We believe it does not make economic sense to install fiber service to the very rural areas of our county however, we believe it makes sense to create a "broadband zone" that is a one or two mile diameter circle with the center of these small towns. This zone would encompass the town itself, as well as the concentration of homes or businesses that are a part of the community, but are not actually within the city limits.

We estimate the capital needed to construct fiber to one of these communities, and to build the community itself, to be approximately \$700,000.00. Developing one community should provide a proof of concept that this model can be duplicated and will lead to much better, faster, and more reliable service for these small communities while reducing the burden on federal and state support for services in these communities. In short, everyone wins.

In Summary, Valu-Net LLC already has the core infrastructure to support additional customers. If capital for actual construction of the fiber can be obtained, we can leverage our existing Central Office, Head End, and other existing resources in a manner so that the actual cost of operations can be supported by the revenues from subscribers of the expanded network, with no need for ongoing monthly or annual support fees from federal, state, or local government.

Attached is a letter from the Lyon County Kansas Commission in support of this Letter of Interest. Additional information will be provided on request.

Question or correspondence may be sent directly to me at:

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Respectfully submitted

Richard L. Tidwell



President

Valu-Net LLC